

**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Adopt Resolution Approving the Purchase of a Padmount Transformer from Howard Industries Inc. of Laurel, Mississippi (\$22,762.19)

**MEETING DATE:** August 15, 2012

**PREPARED BY:** Electric Utility Director

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**RECOMMENDED ACTION:** Adopt a resolution approving the purchase of a padmount transformer from Howard Industries Inc. of Laurel, Mississippi in the amount of \$22,762.19.

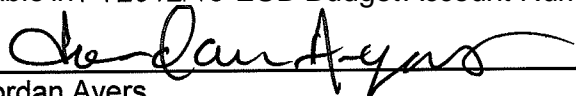
**BACKGROUND INFORMATION:** On July 10, 2012, the City Council approved a Reimbursement Agreement with Holz Rubber Company for a utility service and transformer upgrade project, including the purchase of a padmount transformer. The City Council also approved the specifications for the required transformer and authorized the Electric Utility Department (EUD) to advertise for bids.


On July 25, 2012, bids were opened with four suppliers submitting proposals. Rather than focusing solely on the lowest purchase price, the life-cycle costs (total purchase price plus cost of estimated power loss during the projected life of the transformer) of the proposed transformers were evaluated as shown on Exhibit A. Howard Industries Inc. of Laurel, Mississippi submitted a responsive bid with the lowest life cycle cost of \$39,588.44 for a 1500kVA, 3-phase, 480/277 V transformer (\$22,762.19 cost of transformer, \$16,826.25 value of electrical losses).

It will take up to 16 weeks from order to delivery. In the meantime, EUD will take a transformer in inventory to install at Holz Rubber. This purchase will be used to replenish EUD inventory.

**FISCAL IMPACT:** None per Reimbursement Agreement with Holz Rubber.

**FUNDING:** Funding is available in FY2012/13 EUD Budget Account Number 160650.

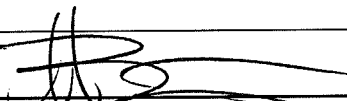
  
Jordan Ayers  
Deputy City Manager/Internal Services Director

  
Elizabeth A. Kirkley, Electric Utility Director

**PREPARED BY:** Weldat Haile P.E., Senior Power Engineer  
EAK/WH/lst

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APPROVED:

  
Konrad Bartlam, City Manager

RESOLUTION NO. 2012-127

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
THE PURCHASE OF A PADMOUNT TRANSFORMER FROM  
HOWARD INDUSTRIES INC., OF LAUREL, MISSISSIPPI

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WHEREAS, on July 10, 2012, the City Council approved a Reimbursement Agreement with Holz Rubber Company for a utility service and transformer upgrade project (Project), including the purchase of a padmount transformer; and

WHEREAS, the City Council also approved the specifications for the required transformer and authorized the Electric Utility Department (EUD) to advertise for bids; and

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on July 25, 2012, at 11:00 a.m. for the purchase of a padmount transformer for the Electric Utility Department, described in the specifications therefore approved by the City Council on July 10, 2012; and

WHEREAS, said bids have been compared as to life-cycle costs, checked, and tabulated and a report thereof filed with the City Manager as shown on Exhibit A attached; and

WHEREAS, Howard Industries Inc., of Laurel, Mississippi, submitted a responsive bid with the lowest life cycle cost of \$22,762.19 for a 1500 kVA, 3-phase, 480/277 V transformer; and

WHEREAS, there is a lead time of 14-16 weeks; therefore, to expedite the implementation of the electric service for the Project, EUD will install a transformer from its inventory and this transformer purchase will then be used to replenish EUD inventory.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of a padmount transformer, as shown above, in the amount of \$22,762.19.

Dated: August 15, 2012

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I hereby certify that Resolution No. 2012-127 was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 15, 2012, by the following vote:

AYES: COUNCIL MEMBERS - Hansen, Johnson, Katzakian, Nakanishi, and Mayor Mounce

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - None

ABSTAIN: COUNCIL MEMBERS - None

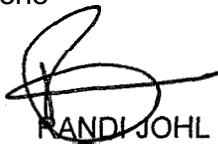
  
RANDI JOHL  
City Clerk

EXHIBIT A - PAD MOUNTED TRANSFORMER BID EVALUATION												
Transformer Bid Evaluation				Bid Opening: July 25, 2012								
Padmount			Tax (factor):		1.0775	Primary Windings:		Three-Phase, 12000 Volt, 60Hz, Delta Connected				
			No Load Loss \$/watt:		3.75			Single-Phase, 12000 Grd. Wye/6930 Volt, 60Hz				
			Load Loss \$/watt:		1.25							
Bid Item 1: 1500kVA, 480/277 Volt, Three Phase Pad						Number of units:		1				
Vendor	Unit	Extended	Price	No Load	Load	No Load	Load	Cost of	Life Cycle	Delivery	Height	Impedance
	Price \$	Price \$	w/tax \$	Loss (watts)	Loss (watts)	Loss value	Loss value	Losses \$	Cost \$	(weeks)	<90 (inches)	%>5.3
Hees Enterprises Inc. (Ermco Transformers)	18,913.00	18,913.00	20,378.76	1883	10027	7,061.25	12,533.75	19,595.00	39,973.76	10-12	63	5.800
Howard Industries Inc. (Silicon Core)	20,950.00	20,950.00	22,573.63	1835	10383	6,881.25	12,978.75	19,860.00	42,433.63	14-16	71	5.800
Howard Industries Inc. (Amorphous Core)	21,125.00	21,125.00	22,762.19	690	11391	2,587.50	14,238.75	16,826.25	39,588.44	14-16	73	5.900
Pacific Utilities (ABB, Inc.)	23,950.00	23,950.00	25,806.13	1457	10487	5,463.75	13,108.75	18,572.50	44,378.63	12-14		5.840
Howard Industries Inc. (Amorphous Core)		21,125.00	22,762.19						39,588.44			

EXHIBIT A